



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF PUBLIC HEARING AND REQUEST FOR COMMENTS

D.P.U. 21-100

July 8, 2022

Investigation by the Department of Public Utilities, On Its Own Motion, Instituting a Rulemaking Pursuant to the Acts of 2021, c. 8, §§ 82-85, G.L. c. 30A, § 2, and 220 CMR 2.00 to Amend the Net Metering Regulations at 220 CMR 18.00.

On July 8, 2022, the Department of Public Utilities ("Department"), issued an Order commencing a rulemaking proceeding, pursuant to G.L. c. 30A, § 2, and 220 CMR 2.00, to approve proposed regulations amending 220 CMR 18.00 ("Proposed Net Metering Regulations"). Specifically, the Department proposes to amend its Net Metering Regulations to implement the net metering provisions of Chapter 8 of the Acts of 2021, An Act Creating A Next-Generation Roadmap For Massachusetts Climate Policy, and to make additional clerical changes to the Net Metering Regulations. The Department docketed this matter as D.P.U. 21-100.

A copy of the Department's Order and Proposed Net Metering Regulations will be available on the Department's website as soon as is practicable at <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber> (enter "21-100").

Due to certain ongoing safety measures and precautions relating to in-person events as a result of the COVID-19 pandemic, the Department will conduct a virtual public hearing to receive comments on the rulemaking. During the public hearing, any member of the public will be able to provide comments. The Department will conduct the public hearing using Zoom videoconferencing on **August 16, 2022**, beginning at **2:00 p.m.** Attendees can join by entering the link, <https://us06web.zoom.us/j/89264548819>, from a computer, smartphone, or tablet. No prior software download is required. For audio-only access to the hearings, attendees can dial in at 312-626-6799 (not toll free) and then enter the Webinar ID number: 892 6454 8819. If you anticipate providing comments via Zoom during the public hearing, please send an email by **August 9, 2022**, to katherine.e.stock@mass.gov; katie.zilgme@mass.gov; and andrew.w.strumfels@mass.gov with your name, email address, and mailing address. Alternatively, any person who desires to provide written comment on this matter may submit their comments to the Department no later than the close of business (5:00 p.m.) on **August 16, 2022**, and reply written comments not later than the close of business (5:00 p.m.) on **August 30, 2022**. The Department welcomes specific recommended language changes to the Proposed Net Metering Regulations. Additionally, the Department seeks comments on the following topics:

1. G.L. c. 164, § 138 now permits a Class I Net Metering Facility to be classified as a Net Metering Facility of a Municipality or Other Governmental Entity. Should the Department establish a deadline by which existing Class I Net Metering Facilities must apply to the administrator of the System of Assurance for Net Metering Eligibility to reclassify their Net Metering Facility under the public cap? If so, what should that deadline be? Please also provide any recommendations on additional administrative steps that should be established in order for such facilities to be reclassified under the public net metering caps.
2. G.L. c. 164, § 139(i) now defines Cap Exempt Facilities to include Class II Net Metering Facilities and Class III Net Metering Facilities that are not Net Metering Facilities of a Municipality or Other Governmental Entity, provided that they serve on-site load, other than parasitic or station load. Please respond to the following:
 - a. How should the Department define on-site load for the purpose of this new definition of Cap Exempt Facility?¹
 - b. Should battery energy storage be considered an on-site load other than parasitic or station load? If yes, should this classification permit an otherwise standalone Net Metering Facility (*i.e.*, a facility serving no other on-site load other than the battery energy storage) to qualify as a Cap Exempt Facility or should the Net Metering Facility also be required to serve other on-site load in order to qualify as such?
3. G.L. c. 164, § 139(i) now includes a provision that requires any credits accrued by Cap Exempt Class II and Class III Net Metering Facilities between April and March of the following year to be credited or paid out to the Net Metering Facility at the Distribution Company's avoided cost rate. Please provide recommendations on:
 - a. A definition for the term "avoided cost rate;" and
 - b. How this crediting/payout should be processed.

¹ The Department has previously defined "Behind-the-Meter" as "a facility that serves an on-site load other than parasitic load or station load utilized to operate the facility." Net Metering, SMART Provision, and the Forward Capacity Market, D.P.U. 17-146-B at 13 n.25 (2019). This definition was further affirmed in Net Metering and Energy Storage Systems and the Forward Capacity Market, D.P.U. 17-146-E at 13 (2020).

4. G.L. c. 164, § 139(b 1/2)(1) now permits the transfer of Net Metering Credits by New Net Metering Facilities across ISO-NE load zones and Distribution Company service territories.² Please explain:
 - a. How should Net Metering Facilities indicate the percentage of Net Metering Credits that should be allocated to Customers in a different service territory? Should there be a uniform document or system for all Distribution Companies to process this type of allocation? If so, please describe the documentation or system.
 - b. How should a Distribution Company allocate and recover costs associated with providing Net Metering Credit to its Customers that were issued by another Distribution Company?
 - c. Should a Net Metering Facility be permitted to transfer credits to Customers in more than one Distribution Company service territory?
 - d. How often should a Net Metering Facility be able to modify the percentage of Net Metering Credits that should be allocated to Customers in a different service territory?
 - e. (For Distribution Companies only) Please describe what administrative modifications are needed to implement credit allocation across service territories.
5. (For Distribution Companies only) Please provide a status update concerning automation for the net metering program: (1) from National Grid and Eversource regarding the timing and details of automation of Schedule Z; and (2) from Unitil, whether it still believes that the disadvantages outweigh the advantages for automation in its service territory. National Grid's and Eversource's response should include: (a) the kind of automation to be implemented with associated timelines, (b) the number of times the Company plans to allow Customers to update allocation annually once automation is live, and (c) the kind of automation that will not be implemented and the reasons supporting that decision.
6. Please identify possible methods whereby the NMRS could be excluded from Net Metering Credits, including possible recovery via a new standalone charge or part of an existing charge that is not a component of Net Metering Credits. As part of

² As this language only applies to Net Metering Facilities qualified pursuant to G.L. c. 164 § 139(b 1/2), the Department interprets it to apply only to New Net Metering Facilities and to exclude Class I Cap Exempt Facilities and all other Net Metering Facilities, as those terms are defined in 220 CMR 18.02.

your comment please explain how each method is consistent with existing ratemaking principles, applicable statutes, regulations, and Department Orders.

7. Please identify impacts that the removal of the NMRS from Net Metering Credits may have on existing and future net metering Customers.
8. (For Distribution Companies only) Please identify the estimated time and expense associated with implementing changes to the NMRS identified in your response to question six. Please also identify whether any recommended changes would require tariff revisions.
9. (For Distribution Companies only) In D.P.U. 20-145-B, the Department recognized that certain billing system upgrade issues overlap several contexts, including the Solar Massachusetts Renewable Target program, grid modernization and net metering. Please describe any billing system upgrade concerns that should be considered in this investigation.
10. (For Distribution Companies only) Please explain the current calculation used when purchasing Net Metering Credits from Host Customers of a Class III Net Metering Facility.

At this time, all filings will be submitted only in electronic format in recognition of the difficulty that parties and the Department may have filing and receiving original copies. Parties must retain the original paper version, and the Department will later determine when the paper version must be filed with the Department Secretary.

All written comments or other documents must be submitted to the Department in .pdf format by email attachment to dpu.efiling@mass.gov and the hearing officers, katherine.e.stock@mass.gov; katie.zilgme@mass.gov; and andrew.w.strumfels@mass.gov. The text of the email must specify: (1) the docket number of the proceeding (D.P.U. 21-100); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The email must also include the name, title, and telephone number of the person to contact in the event of questions about the filing. The electronic file name should identify the document but should not exceed 50 characters in length. Importantly, all large files submitted must be broken down into electronic files that do not exceed 20MB.

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), contact the Department's ADA coordinator at DPUADACoordinator@mass.gov. Any person desiring further information regarding this notice should contact the hearing officers.

By Order of the Department,

/s/
Mark D. Marini, Secretary